WHAT IS CLAIMED IS:

- A magnetic memory comprising:

 an insulator having a trench;
 a first conductor in the trench;
 a first magnetic layer in the trench and adjacent to the first conductor;
 - a second magnetic layer outside the trench.
- 2. The magnetic memory of claim 1, comprising a barrier layer outside the trench and disposed between the first magnetic layer and the second magnetic layer.
- 3. The magnetic memory of claim 1, comprising a barrier layer that prevents shorts between the first magnetic layer and the second magnetic layer.
- 4. The magnetic memory of claim 1, where the first magnetic layer is selfaligned with the first conductor along at least one dimension of the trench.
- 5. The magnetic memory of claim 1, where the first magnetic layer comprises a reference layer.
- 6. The magnetic memory of claim 1, where the second magnetic layer is patterned into bits aligned with the first magnetic layer.
- 7. The magnetic memory of claim 1, comprising a second conductor disposed over the second magnetic layer, where the second conductor is narrower than the second magnetic layer.
- 8. The magnetic memory of claim 1, comprising a second conductor disposed over the second magnetic layer, where the second conductor is

patterned into lines and the first magnetic layer is patterned into bits with a line mask pattern.

- 9. The magnetic memory of claim 1, comprising a second conductor disposed over the second magnetic layer and a barrier layer disposed between the first magnetic layer and the second magnetic layer, where the second conductor and the second magnetic layer are patterned the same.
- 10. The magnetic memory of claim 1, where the first magnetic layer comprises a sense layer.
- 11. The magnetic memory of claim 1, where the first conductor comprises: a ferromagnetic cladding layer lining the trench; and copper.
- 12. A magnetic memory comprising: an array of memory cells; first conductive lines;

second conductive lines crossing the first conductive lines at memory cells in the array of memory cells, where a memory cell in the array of memory cells comprises:

- a first magnetic layer inside an insulating recess;
 a second magnetic layer outside the insulating recess; and
 a barrier layer between the first magnetic layer and the second
 magnetic layer.
- 13. The magnetic memory of claim 12, where the barrier layer is in a plane over the insulating recess.
- 14. The magnetic memory of claim 12, where the first conductive lines are in parallel insulating trenches formed in an insulator.

- 15. The magnetic memory of claim 12, where the array of memory cells is a three dimensional macro-array.
- 16. The magnetic memory of claim 12, comprising a write circuit configured to provide write currents to set memory cell states and a read circuit configured to provide a sense voltage and a sense current to read memory cell states.
- 17. The magnetic memory of claim 12, where the first magnetic layer crosses a plurality of memory cells.
- 18. A magnetic memory comprising:

means for self-aligning at least one dimension of a magnetic layer with a conductor in a dielectric; and

means for supporting a planar barrier layer adjacent to the magnetic layer and the dielectric layer.

- 19. The magnetic memory of claim 18, where the means for self-aligning comprises side surfaces of a trench in the dielectric.
- 20. The magnetic memory of claim 18, where the means for supporting a planar barrier layer comprises the magnetic layer and the dielectric planarized to a planar surface.
- 21. A magnetic memory cell comprising:
 - a first magnetic layer in a recess in a dielectric;
- a barrier layer formed in a plane on the first magnetic layer and the dielectric; and
 - a second magnetic layer formed on the barrier layer.
- 22. The magnetic memory cell of claim 21, where the first magnetic layer is a sense layer and the second magnetic layer is a reference layer.

23. The magnetic memory cell of claim 21, where the first magnetic layer is a reference layer and the second magnetic layer is a sense layer.

- 24. A method of forming a magnetic memory comprising:
 forming a recess in a dielectric;
 coating the dielectric with a first magnetic layer;
 removing the first magnetic layer from outside the recess; and
 forming a second magnetic layer outside the recess.
- 25. The method of claim 24, where forming the recess comprises: forming a trench in the dielectric; depositing conductive material in the trench; and removing conductive material to form the recess in the trench.
- 26. The method of claim 25, where depositing conductive material comprises:

depositing ferromagnetic cladding to line the trench; and depositing copper to fill the lined trench.

- 27. The method of claim 25, where removing conductive material comprises at least one from a group comprising etching the conductive material with an ion etch, etching the conductive material with a wet chemical etch and polishing the conductive material with a chemical mechanical polish.
- 28. The method of claim 24, where coating the dielectric comprises depositing a blanket first magnetic layer.
- 29. The method of claim 24, where coating the dielectric comprises depositing a blanket first magnetic layer and a blanket sacrificial layer.
- 30. The method of claim 24, where removing the first magnetic layer comprises polishing with a chemical mechanical polish to form a planar surface.

31. The method of claim 24, comprising:

forming a barrier layer between the first magnetic layer and the second magnetic layer; and

forming a second conductor over the second magnetic layer.

- 32. The method of claim 31, where forming the barrier layer comprises forming a blanket barrier layer over the dielectric and the first magnetic layer.
- 33. The method of claim 31, where forming the second magnetic layer comprises using a bit mask and forming the second conductor comprises using a line mask.
- 34. The method of claim 31, where the first magnetic layer, the barrier layer, the second magnetic layer and the second conductor are patterned using a line mask.